

HOUSE BILL REPORT

SSB 5702

As Reported by House Committee On:
Capital Budget

Title: An act relating to the developmental disabilities community trust account.

Brief Description: Creating the Dan Thompson memorial developmental disabilities community trust account.

Brief History:

Committee Activity:

Capital Budget: 3/24/05, 3/30/05 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House Committee)**

- Creates the Dan Thompson Memorial Developmental Disabilities Community Trust Account in the state treasury. All income from the lease of land, conservation easements, sale of timber, or other activities short of the sale of property must be deposited in the account.
- Expenditures from the account must be used exclusively to provide family support and/or employment/day services to eligible persons with developmental disabilities who can be served by community-based services.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass as amended. Signed by 24 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Jarrett, Ranking Minority Member; Hankins, Assistant Ranking Minority Member; Blake, Cox, Eickmeyer, Ericks, Ericksen, Flannigan, Green, Hasegawa, Holmquist, Kretz, Kristiansen, Lantz, McCune, Moeller, Morrell, O'Brien, Roach, Serben, Springer and Strow.

Minority Report: Do not pass. Signed by 1 member: Representative Chase.

Staff: Susan Howson (786-7142).

Background:

Residential habilitation centers (RHCs) are state-operated institutions that provide 24-hour residential services for qualified individuals with developmental disabilities needing institutional care. Five RHCs are established in statute: Fircrest School, located in Shoreline;

Frances Haddon Morgan Center, located in Bremerton; Lakeland Village, located in Medical Lake; Rainier School, located in Buckley; and Yakima Valley School, located in Selah.

A December 2002 Joint Legislative Audit and Review Committee (JLARC) study of the possible alternative uses of the land and facilities currently used by RHCs identified "excess" property that was not needed for RHC operations. In 2003, the Legislature directed the State Investment Board to contract with a real estate investment consultant to prepare options and recommend investment strategies for excess property at the five state RHCs.

The report identified that excess property could be disposed of at Lakeland Village, Rainier School and Yakima Valley School without impacting existing buildings.

Summary of Amended Bill:

The Dan Thompson Memorial Developmental Disabilities Community Trust Account is created in the state treasury. All proceeds from the use of excess property identified in the 2002 JLARC capital study of the RHCs must be deposited into the account. Income may come from the lease of land, conservation easements, sale of timber, or other activities short of sale of property. The bill states that the disposal of excess property cannot impact current residential habilitation center operations.

The account is authorized to retain its earnings from investments. Only investment income from the principle of the account may be spent. Expenditures are subject to legislative appropriation and must be used exclusively to provide family support and/or employment/day services to eligible persons with developmental disabilities. The account should not be used to replace, supplant or reduce existing appropriations.

Statutory references to Washington State University agricultural operations on property at the Rainier School are repealed. This property is considered "excess" property.

By June 30, 2006, the Department of Social and Health Services (DSHS) must report on its efforts and strategies to provide income to the account from activities on or lease of excess property identified in the JLARC study.

Amended Bill Compared to Substitute Bill:

The bill as amended does not allow for the sale of excess property. In addition to property at Rainier School and Lakeland Village, excess property includes property identified in the 2002 JLARC capital study at the Yakima Valley School. A reporting requirement is added that directs the DSHS to report to the Legislature on efforts and strategies to provide income to the account by June 30, 2006. In addition, the bill as amended changes the definition of eligible service recipients.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately, except section 3, relating to accounts which may retain account earnings, which takes effect July 1, 2005, and section 4, relating to accounts which may retain account earnings, which takes effect July 1, 2006.

Testimony For: Substitute Senate Bill 5702 maximizes the use of an unused resource to fund needed services for Washington State's developmentally disabled community by allowing for the sale of property in addition to leasing and selling timber on the Rainier School property. Currently 8,000 families with developmentally disabled members are waiting for support services. This bill limits services available to family support and day and employment services.

Testimony Against: None.

Persons Testifying: Sue Elliot, Advocates for the Rights of Citizens with Developmental Disabilities of Washington; and Ed Holen, Developmental Disabilities Council.

Persons Signed In To Testify But Not Testifying: None.